



**STATE OF TENNESSEE
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DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT**

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Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

June 12, 2001

Superintendent and Members of the Board of Education
Henderson County School System
35 East Wilson Street
Lexington, TN 38351

Superintendent and Board Members:

We have completed our special purpose examination of selected records of Beaver Elementary School. Our examination focused on the period July 1, 2000, through May 31, 2001. However, when warranted, this scope was expanded. The results of our examination are summarized below.

- 1) School personnel failed to identify the specific sources of collections on logs and receipts.
- 2) School personnel failed to adequately control fundraisers as follows:
 - a) In several instances, fundraiser authorization forms were not completed
 - b) Analyses of expected collections were not performed and documented
 - c) Fundraiser Summary Reports were not completed
 - d) In at least one instance, collections were used to pay expenses rather than being remitted intact to the bookkeeper
 - e) In several instances, sales tax was not paid on items purchased for resale in fundraising activities

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- 3) No analysis of either expected collections or profit analysis (if applicable) was performed for concessions, the school's "buy store," or the bookstore cart.

Detailed internal control recommendations have been provided to the school's principal and bookkeeper. If you have any questions concerning the above, please contact me.

Sincerely,

Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

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